



Employee Benefits & Retirement

Module 17

***National Guard
Technician Personnel Management Course***

EMPLOYEE BENEFITS & RETIREMENT

- Health insurance
 - FSA
 - LTC
- FEDVIP
- Life insurance
- Retirement plans
- Thrift Savings Plan



FEDERAL EMPLOYEE'S HEALTH BENEFITS (FEHB)

- Guaranteed coverage – no medical exam
- No restrictions on pre-existing conditions
- Government contributes substantially
- Technician must enroll self only or self & family within 60 days of eligibility



FEDERAL EMPLOYEE'S HEALTH BENEFITS (FEHB)

Temporary employees NTE one year or less are excluded

- Enrollees may change plans or options during annual Open Season
- In certain cases, may also convert coverage when leaving government
- Can be maintained while on LWOP

Flexible Spending Account (FSA)

FSA: Health & Child Care

- Tax-favored program
- Pay a variety of health care or dependent care
- May use for OTC purchases with physician prescription
- For more information visit <http://www.FSAFEDS.com> or call 1-877-372-3337

Long Term Care (LTC)

- Long term care is ongoing care for people who need lengthy or even lifelong assistance with daily living due to an illness, injury, or severe cognitive impairment.
- Non-skilled, custodial care; help with daily living activities
- Supervision due to cognitive impairment (e.g. Alzheimer's disease)
- For more information visit <http://www.ltcfeds.com/> or call 1-800-582-3337.

Federal Employees Dental and Vision Insurance Plan (FEDVIP)

- Supplemental dental and vision benefits
- Available to federal employees
- Provides competitive premiums
- No pre-existing condition limitations
- Separate from FEHB
- 7 dental plans/3 vision plans with PPO
- For more information visit <http://www.BENEFEDS.com> or call 1-877-888-3337.

FEDERAL EMPLOYEE'S GROUP LIFE INSURANCE (FEGLI)

Basic Life: annual basic salary rounded to next highest thousand plus \$2,000 – automatic unless waived

- Technician pays 2/3 – Government pays 1/3
- If originally waived, a physical exam is required (at the employee's expense) in order to enroll later



FEDERAL EMPLOYEE'S GROUP **LIFE INSURANCE (FEGLI)**

Options:

- A: Standard – an additional \$10,000 at employee's cost based on age
- B: Additional – 1 to 5 x basic pay, at employee's cost based on age
- C: Family – 1-5 multiples (each multiple worth \$5,000; Spouse - \$25,000 max; Child – each multiple \$2,500 max \$12,500 at employee's cost based on age)

FEDERAL EMPLOYEE'S GROUP **LIFE INSURANCE (FEGLI)**

Options :

- A, B & C – Any combination with the Basic coverage
- Employee should conduct a periodic review of beneficiary designation in their OPFs
- Continues 12 months LWOP free



RETIREMENT & THRIFT SAVINGS PLAN

Three retirement systems/plans:

- Civil Service Retirement System (CSRS)
- Civil Service Retirement System-Offset (CSRS-Offset)
- Federal Employees' Retirement System (FERS)



CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

- Oldest of the system
- Employees and government each contribute 7% of employee's basic annual pay
- Employees may also contribute unmatched 10% to Thrift Savings Plan



CIVIL SERVICE RETIREMENT **SYSTEM – OFFSET** **(CSRS-OFFSET)**

Choice for employees rehired who...

- Had 5 + years previous CSRS service prior to a break of 365 days or more
- Differs from CSRS, but the unmatched employee contribution to Thrift Savings is the same

FEDERAL EMPLOYEES' RETRIEMENT SYSTEM (FERS)

***Only retirement system available
to...***

- New employees hired after 1/1/1984
- Prior service employees after a break of over 365 days – but not eligible for CSRS-Offset



FEDERAL EMPLOYEES' RETIREMENT SYSTEM (FERS)

- Employees contribute 0.8% of basic pay each pay period (7% including social security)
- Government contributes between 11.9% to 14.9% (including social security)
- Effective 01/01/2013 - higher employee contribution rate for new hires (see next slide)

FEDERAL EMPLOYEES' RETIREMENT SYSTEM (FERS)

- PL 112-96, Section 5001, the Middle Class Tax Relief and Job Creation Act of 2012) --
 - Effective 01/01/2013, new employees will pay 3.1% of basic pay each pay period.
 - Will be known as “FERS-RAE” (FERS-Revised Annuity Employee)
 - Three exceptions apply:
 - Individual already covered under FERS on 12/31/2012;
 - On 12/31/2012, individual was performing civilian service that is creditable or potentially creditable under FERS; or
 - On 12/31/2012, was not covered under FERS, but previously had at least 5 years of creditable or potentially creditable service under FERS.

FEDERAL EMPLOYEES' RETIREMENT SYSTEM (FERS)

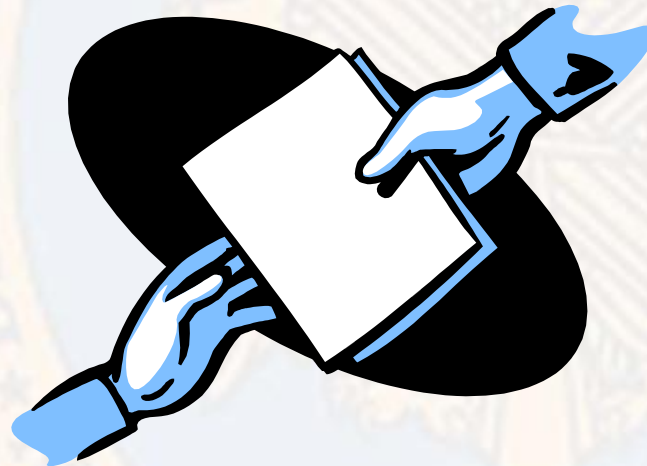
- Employees may contribute up to IRS Limit to Thrift Savings
- Government contributes 1% to all FERS employees, but also matches first 3% and $\frac{1}{2}$ of next 2% of employee's contribution

TYPES OF RETIREMENT

- Optional (Voluntary)
- Discontinued Service (DSR)
- Military Reserve Technician(MRT)
- Disability & Special Disability



HANDOUT



HRO Tech Retirement Brief



Beneficiary Forms

Review annually!

- Marriage, divorce, child, etc.
- FEGLI
- TSP
- UNPAID COMPENSATION
- FERS/CERS

Creditable Service for Retirement

Deposit (Non-Deduction) Service - Period of service when no CSRS or FERS contributions are withheld, i.e., Prior-69 service and temporary service.

For CSRS:

- *Prior to 1 Oct 1982* -- creditable for eligibility and computation. Annual annuity is *permanently* reduced by 10% of the unpaid deposit amount if not paid.
- *On or after 1 Oct 1982* -- creditable for eligibility only unless the deposit is paid.

For FERS:

- *Prior to 1 Jan 1989* -- creditable only if deposit is paid.
- *On or after 1 Jan 1989* -- not creditable; deposit not allowed.

Creditable Service for Retirement

Redeposit Service - Period of service for which you received a refund of your retirement contributions upon separation from service.

For CSRS:

- *Prior to 1 Mar 1991* -- creditable for eligibility and computation. Annuity actuarially reduced based on age at retirement if redeposit is not paid.
- *On or after 1 Mar 1991* -- creditable for eligibility only unless redeposit is paid.

For FERS: Creditable for eligibility only unless redeposit is paid.

Creditable Service for Retirement

Post-1956 Military Service - Title 10 active duty service.

For CSRS:

- *First employed before 1 Oct 1982* – creditable regardless of making deposit of 7% of estimated military earnings. If deposit not paid and eligible for Social Security at age 62, annuity recomputed to remove active duty service (“Catch-62”).
- *First employed on or after 1 Oct 1982* -- No credit unless the 7% deposit is paid.

For FERS: Not creditable unless a deposit of 3% of estimated military earnings is paid.

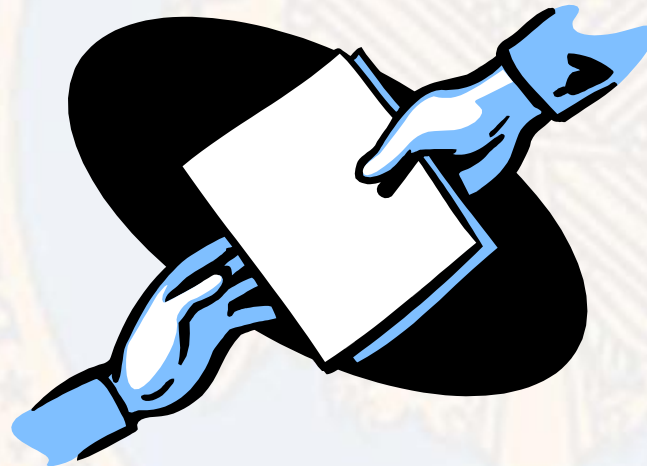
Creditable Service for Retirement

USERRA - Uniformed Services Employment & Reemployment Rights Act of 1994 - Title 10 and certain Title 32 active duty service performed on or after 1 Aug 1990.

For CSRS: Creditable if deposit is paid -- 7% of estimated military earnings OR an amount that would have been deducted for retirement from civilian pay had you not entered on active duty, *whichever is less*. (Catch-62 applies here too.)

For FERS: Creditable if deposit is paid -- 3% of estimated military earnings OR an amount that would have been deducted for retirement from civilian pay had you not entered on active duty, *whichever is less*.

HANDOUT



USERRA Brief

Individual Exercises



Questions

